

**260C.22 Facilities levy by vote — borrowing — temporary cash reserve levy.**

1. a. In addition to the tax authorized under [section 260C.17](#) and upon resolution of the board of directors, the voters in a merged area may at the regular school election or at a special election held on the second Tuesday in September of the even-numbered year vote a tax not exceeding twenty and one-fourth cents per thousand dollars of assessed value in any one year for a period not to exceed ten years, unless otherwise provided under [subsection 2](#), for the purchase of grounds, construction of buildings, payment of debts contracted for the construction of buildings, purchase of buildings and equipment for buildings, and the acquisition of libraries, for the purpose of paying costs of utilities, and for the purpose of maintaining, remodeling, improving, or expanding the community college of the merged area. If the tax levy is approved under [this section](#), the costs of utilities shall be paid from the proceeds of the levy. The tax shall be collected by the county treasurers and remitted to the treasurer of the merged area as provided in [section 331.552, subsection 29](#). The proceeds of the tax shall be deposited in a separate and distinct fund to be known as the voted tax fund, to be paid out upon warrants drawn by the president and secretary of the board of directors of the merged area district for the payment of costs incurred in providing the school facilities for which the tax was authorized.

b. In order to make immediately available to the merged area the proceeds of the voted tax authorized to be levied under [this section](#), the board of directors of any such merged area is hereby authorized, without the necessity for any further election, to borrow money and enter into loan agreements in anticipation of the collection of such tax, and such board shall, by resolution, provide for the levy of an annual tax, within the limits of the special voted tax authorized under [this section](#), sufficient to pay the amount of any such loan and the interest thereon to maturity as the same becomes due. A certified copy of this resolution shall be filed with the county auditors of the counties in which such merged area is located, and the filing thereof shall make it a duty of such auditors to enter annually this levy for collection until funds are realized to repay the loan and interest thereon in full. Said loan shall bear interest at a rate or rates not exceeding that permitted by [chapter 74A](#). Any loan agreement entered into pursuant to authority contained in [this section](#) shall be in such form as the board of directors shall by resolution provide and the loan shall be payable as to both principal and interest from the proceeds of the annual levy of the voted tax authorized under [this section](#), or so much thereof as will be sufficient to pay the loan and interest thereon. In furtherance of the foregoing the board of directors of such merged area may, with or without notice, negotiate and enter into a loan agreement or agreements with any bank, investment banker, trust company, insurance company or group thereof, whereunder the borrowing of the necessary funds may be assured and consummated. The proceeds of such loan shall be deposited in a special fund, to be kept separate and apart from all other funds of the merged area, and shall be paid out upon warrants drawn by the president and secretary of the board of directors to pay the cost of acquiring the school facilities for which the tax was authorized.

c. If the boundary lines of a merged area are changed, the levy of the annual tax provided in [this section](#) sufficient to pay the amount due for a loan agreement and the interest on the loan agreement to maturity shall continue in any territory severed from the merged area until the loan with interest on the loan has been paid in full.

d. Nothing contained in [this section](#) shall be construed to limit the authority of the board of directors to levy the full amount of the voted tax, but if and to whatever extent said tax is levied in any year in excess of the amount of principal and interest falling due in such year under any loan agreement, the first available proceeds thereof, to an amount sufficient to meet maturing installments of principal and interest under the loan agreement, shall be paid into the sinking fund for such loan before any of such taxes are otherwise made available to the merged area for other school purposes, and the amount required to be annually set aside to pay the principal of and interest on the money borrowed under such loan agreement shall constitute a first charge upon all of the proceeds of such annual special voted tax, which tax shall be pledged to pay said loan and the interest thereon.

e. [This subsection](#) shall be construed as supplemental and in addition to existing statutory authority and as providing an independent method of financing the cost of acquiring school

facilities for which a tax has been voted under [this section](#) and for the borrowing of money and execution of loan agreements in connection therewith and shall not be construed as subject to the provisions of any other law. The fact that a merged area may have previously borrowed money and entered into loan agreements under the authority contained in [this section](#) shall not prevent such merged area from borrowing additional money and entering into further loan agreements provided that the aggregate of the amount payable under all of such loan agreements does not exceed the proceeds of the voted tax. All acts and proceedings heretofore taken by the board of directors or by any official of any merged area for the exercise of any of the powers granted by [this section](#) are hereby legalized and validated in all respects.

2. Following approval of the tax at two consecutive elections under [subsection 1](#) where the question of imposing the tax appeared on the ballot, if the tax has been imposed for a period of at least twenty consecutive years, the board of directors of the merged area may, by resolution adopted at any time before the end of the most recently authorized period of time for imposing the tax, continue to impose the voted tax each year for an additional period not to exceed ten years at a rate not to exceed the maximum rate approved at election until the tax is discontinued or the maximum rate is increased following an election pursuant to [subsection 3](#). An increase in the maximum rate of the voted tax, not to exceed the maximum rate specified in [subsection 1](#), shall be approved at election pursuant to the requirements of [subsection 3](#).

3. A voted tax imposed under [this section](#) may be discontinued, or its maximum rate increased, by petition and election. Upon receipt of a petition containing the required number of signatures, the board of directors of a merged area shall direct each county commissioner of elections responsible under [section 47.2](#) for conducting elections in the merged area to submit to the voters of the merged area the question of whether to discontinue the authority of the board of directors to impose the voted tax under [this section](#) or to increase the maximum rate of the voted tax, whichever is applicable. The petition must be signed by eligible electors equal in number to not less than twenty-five percent of the votes cast at the last preceding election in the merged area where the question of the imposition of the tax appeared on the ballot and received by the board of directors by June 1 of the year in which the election is to be held. The question shall be submitted at an election held on a date authorized for an election under [subsection 1](#), paragraph “a”. If a majority of those voting on the question of discontinuance of the board of directors’ authority to impose the tax favors discontinuance, the board shall not impose the tax for any fiscal year beginning after expiration of the period of time for imposing the tax approved at the last election under [subsection 1](#) or the period of time for imposing the tax established by resolution of the board under [subsection 2](#) that is in effect on the date the petition for the election is filed with the board, whichever is applicable, unless following discontinuance the voted tax is again authorized at election under [subsection 1](#). If the question of whether to discontinue the authority of the board of directors to impose the tax fails to gain approval at election, the question shall not be submitted to the voters of the merged area for a period of ten years following the date of the election. If a majority of those voting on the question to increase the maximum rate of the voted tax favors the proposed increase, the new maximum rate shall apply to fiscal years beginning after the date of the election.

[C66, 71, 73, 75, 77, 79, 81, §280A.22; 81 Acts, ch 88, §1; 82 Acts, ch 1136, §10]

84 Acts, ch 1003, §3; 87 Acts, ch 233, §476, 477; 90 Acts, ch 1253, §32

C93, §260C.22

96 Acts, ch 1215, §30; 2008 Acts, ch 1115, §6, 21; 2009 Acts, ch 41, §263; 2009 Acts, ch 57, §76; 2015 Acts, ch 106, §2 – 4, 6, 7; 2017 Acts, ch 155, §35, 44; 2018 Acts, ch 1026, §79; 2019 Acts, ch 59, §74

Referred to in §260C.15, 260C.21, 260C.34, 260C.35, 260C.38, 331.512, 331.559

2017 amendment to subsection 3 effective July 1, 2019; 2017 Acts, ch 155, §44

Subsection 1, paragraphs b, d, and e amended

Subsection 3 amended